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Classified By: CDA Scott N. Thayer for Reasons 1.4 (B) and (D).

SLOVAKIA FORGIVES IRAQI DEBT

(C) On June 21, Slovakia adopted government resolution 495/2005, which approved a 100 percent write-off of Iraqi civil debts to Slovakia (an amount equal to around USD 1.1 million). In addition to the debt forgiveness, Slovakia has contributed USD 20.8 million in humanitarian aid, military engineering services, and a chemical unit to Iraqi reconstruction efforts to date. The majority of the USD 142 million balance that remains between Slovakia and Iraq is military debt (or perhaps more accurately, debt the Iraqi government owes to Slovakia for equipment later destroyed by the Coalition).

GOVERNOR OF SOUTH CAROLINA VISITS BRATISLAVA

On June 15, South Carolina Governor Mark Sanford visited Bratislava to learn more about Slovakia's tax reforms, particularly the flat tax regime the country recently implemented. In meetings with local business leaders, as well as an appointment with Finance Minister Ivan Miklos, the Governor consistently heard that there is only a short, unique opportunity that countries are given to enact such reforms, and that the coalition government took advantage of this opportunity. The Governor expressed his concern that the tax reforms in Slovakia did not actually lower taxes, but rather only simplified the tax system. also expressed an interest in learning more about the social that have occurred in Slovakia since the end of communism, with particular emphasis on how the fall of communism affected the goals and motivation of Slovak youth.

GASPAROVIC DELIVERS "STATE OF THE UNION" ADDRESS

- 13. (SBU) President Ivan Gasparovic delivered a June 22, not-quite-prime time 11:00am "state of the nation" address which lasted 90 minutes, and sounded more like a campaign speech than an analysis of Slovakia's past accomplishments and failures. Gasparovic stressed several times the regional differences in Slovakia, and that the social and economic situation of most Slovak regions is very bad. He claimed that there are a lot of poor people who do not appreciate the economic reforms because of their resulting effect on unemployment and price inflation. His speech borrowed heavily from Smer's rhetoric, and appealed to the general dissatisfaction of the Slovak population. He repeatedly used the words "poor," "unemployment," and "negative impacts of reforms," presenting the negative results of reform without providing any analytical -- and very little positive -perspective.
- (SBU) Other themes of the President's speech included his thanks to the Slovak military personnel serving overseas, a call for more focus on family values, and what might be called selective memory or even "delusions of grandeur," such as the President's claim that the economy was doing well under Meciar.

IRAQI JUDICIAL DELEGATION VISITS SLOVAKIA

- 15. (SBU) From June 20 25, the American Bar Association's Central European and Eurasian Law Initiative (ABA/CEELI) brought a delegation of 20 judicial leaders from Iraq to Slovakia to participate in a comparative law workshop featuring Slovak judicial reforms. The event, supported through INL funds, allowed the group to also discuss the initial strategic plan for the Iraqi judiciary. The Chief Justice of Iraq was present for most of the program. Justices made courtesy calls to Parliament and other government offices, but the main focus was the off-site opportunity to discuss long-term judicial development projects.
- 16. (SBU) At an informal dinner attended by Poloff, judges sat in close circles listening to the Slovak experience,

specifically with regard to the electronic court management system and other anti-corruption tools recently adopted by Slovakia. A ranking Kurdish member of the Supreme Court told Poloff that prior to the trip they were unaware that Slovakia was a member of the EU, and were impressed by the efforts and sacrifices Slovakia made to be included in the international organization. He recounted security challenges that confronted his job, but talked optimistically about the rapidly changing Iraqi judicial system, which he said has much improved since "the former government officials are in jail and the former prisoners are in the government."

LEGISLATIVE UPDATE

- 17. (U) Slovakia's parliament has adopted several important pieces of legislation. In the area of anti-corruption, the "Law on Measures Against Persons Who Acquired Their Property In an Illegal Way" will allow the government to investigate and confiscate assets for which the owner cannot prove legal purchase with his/her own funds. Owners must prove that they purchased their properties legally; if the court decides it was not done so, the property could be forfeited to the state. Smer leader Robert Fico proposed the controversial law, which some legal scholars consider to be unconstitutional because it places the burden of proof on the accused rather than the state.
- 18. (U) In addition, the "Law on Legal Assistance to the Poor," submitted to parliament by the Ministry of Justice, provides for pro bono legal counsel -- including courtroom representation -- for Slovaks who are unable to afford it. Slovakia has in recent years been criticized for its lack of pro bono legal mechanisms, and this bill hopes to improve access to legal remedies. We note that the law provides an important mechanism not only for the poor, but for trafficking victims, Roma, and other victims in general. THAYER

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